

**STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**

In the matter of:

Agency No. 338687

THE CADEZ GROUP, LTD  
D/B/A ADVANCED FINANCIAL PLANNING, INC.  
CRD/IARD#: 116896

Respondent.

\_\_\_\_\_/\_\_\_\_\_  
This 31<sup>st</sup> day of July, 2019

**NOTICE OF INTENT TO REVOKE  
INVESTMENT ADVISER REGISTRATION  
AND ORDER OF SUMMARY SUSPENSION**

**I. RELEVANT FACTS AND APPLICABLE LAW.**

Relevant information and statutory provisions, under the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq* (the "Securities Act"):

1. The Cadez Group, LTD, d/b/a Advanced Financial Planning, Inc. (CRD/IARD# 116896, "Respondent") is a Michigan corporation which is registered as an investment adviser pursuant to the Securities Act. Respondent is owned and operated by Daniel Cadez, Jr., (CRD#3001507, "Cadez"), who is registered as an investment adviser representative of Respondent.
2. The Corporations, Securities & Commercial Licensing Bureau ("the Bureau") within the State of Michigan Department of Licensing and Regulatory Affairs notified Respondent and Cadez in or around October of 2018 that Bureau staff was beginning an examination of Cadez Group's books and records pursuant to MCL 451.2411(4).
3. On or around April 24, 2019, Respondent and Cadez were suspended for failing to cooperate with the Bureau's examination of Respondent. (Exhibit 1, "the April Order"). Since the issuance of the April Order, Respondent and Cadez have cooperated with the examination and provided relevant documents to Bureau examiners.
4. Documents provided by Respondent demonstrated that it has custody of client funds or securities as a result of its associated person Cadez's role in a private fund called Pishon, Ltd., in violation of the Securities Act. (See Exhibit 2 for details regarding the custody arrangement – Cadez Cease and Desist Order).

5. The Director of the Bureau ("Administrator") has reviewed materials regarding Respondent's actions as a registrant under the Securities Act. The Administrator has determined that it is authorized, appropriate, and in the public interest to withdraw the April Order, and to institute new administrative proceedings under the Securities Act to revoke Respondent's investment adviser representative registration based upon its willful failure to comply with the Securities Act.

6. Section 412(2) of the Securities Act, MCL 451.2412(2), states in relevant part:

If the administrator finds that the order is in the public interest and subsection (4) authorizes the action, an order under this act may revoke, suspend, condition, or limit the registration of a registrant and if the registrant is a broker-dealer or investment adviser, of a partner, officer, director, or a person having a similar status or performing similar functions, or a person directly or indirectly in control of the broker-dealer or investment adviser...

7. Section 412(4) of the Securities Act, MCL 451.2412(4) states in relevant part:

(4) A person may be disciplined under subsections (1) to (3) if any of the following apply to the person:

\*\*\*

(b) The person willfully violated or willfully failed to comply with this act or the predecessor act or a rule adopted or order issued under this act or the predecessor act within the previous 10 years...

8. Section 412(6) of the Securities Act, MCL 451.2412(6), states:

(6) The administrator may suspend or deny an application summarily, restrict, condition, limit, or suspend a registration, or censure, bar, or impose a civil fine on a registrant pending final determination of an administrative proceeding. On the issuance of the order, the administrator shall promptly notify each person subject to the order that the order has been issued, the reasons for the action, and that, within 15 days after the receipt of a request in a record from the person, the matter will be scheduled for a hearing. If a hearing is not requested by a person subject to the order or is not ordered by the administrator within 30 days after the date of service of the order, the order is final. If a hearing is requested or ordered, the administrator, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend the order until final determination.

9. Section 412(7) of the Securities Act, MCL 451.2412(7), states:

(7) Except under subsection (6), an order shall not be issued under this section unless all of the following have occurred:

- (a) Appropriate notice has been given to the applicant or registrant.
- (b) Opportunity for hearing has been given to the applicant or registrant.
- (c) Findings of fact and conclusions of law have been made on the record pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

10. The Administrator may revoke Respondent's investment adviser registration pursuant to section 412(2) of the Securities Act, MCL 451.2412(2), because it is in the public interest, and because:

- A. Respondent willfully violated or failed to comply with the Securities Act by taking custody of client funds or securities, giving the Administrator cause to issue an order under sections 412(2) and 412(4)(b) of the Securities Act, MCL 451.2412(2) and MCL 451.2412(4)(b).

11. The Administrator may summarily suspend Respondent's investment adviser representative registration pursuant to section 412(6) of the Securities Act, MCL 451.2412(6), pending the outcome of the administrative proceedings initiated by this Notice.

## **II. ORDER.**

The Administrator finds that this ORDER is authorized, appropriate, and in the public interest based on the above-cited facts and law.

IT IS ORDERED as follows:

1. The April 24, 2019 Notice of Intent to Revoke Investment Adviser Registration and Order of Summary Suspension issued against Respondent is withdrawn as a result of Respondent's cooperation with the Bureau's examination, and replaced by this Notice and Order.
2. The Administrator intends TO REVOKE THE INVESTMENT ADVISER REGISTRATION OF THE CADEZ GROUP, LTD, d/b/a ADVANCED FINANCIAL PLANNING, INC., under section 412(2) of the Securities Act, MCL 451.2412(2), because it willfully violated or failed to comply with the Securities Act, which supports the revocation of its investment adviser registration under the above-cited provisions of the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101 *et seq.*
3. Respondent's investment adviser registration is SUMMARILY SUSPENDED pending the outcome of revocation proceedings instituted by this NOTICE in accordance with section 412(6) of the Securities Act, MCL 451.2412(6).
4. In accordance with sections 412(2) and 412(7) of the Securities Act, MCL 451.2412(2) and MCL 451.2412(7): This is NOTICE that the Administrator intends to revoke Respondent's investment adviser registration, and that Respondent has thirty (30) days after the date that this

Order is served on Respondent to respond in writing to the enclosed Notice of Opportunity to Show Compliance. If the Administrator timely receives a written request, depending upon the election, the Administrator shall either promptly schedule a compliance conference, or schedule a hearing within fifteen (15) days after receipt of the written request. If you fail to respond to this Notice and Order within the time frame specified, the Administrator shall schedule a hearing. If a hearing is requested or ordered, the Administrator, after notice of and an opportunity for hearing to Respondent, may modify or vacate this Order or extend the Order until final determination.

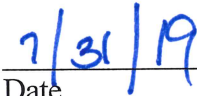
**If Respondent requests a hearing, the request must be in writing and filed with the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau, Regulatory Compliance Division, P.O. Box 30018, Lansing, MI 48909.**

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

By:

  
\_\_\_\_\_  
Julia Dale, Administrator and Director  
Corporations, Securities & Commercial Licensing Bureau

Date

  
\_\_\_\_\_  
7/31/19

# **EXHIBIT 1**

**STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**

In the matter of:

Agency No. 338687

THE CADEZ GROUP, LTD  
D/B/A ADVANCED FINANCIAL PLANNING, INC.  
CRD/IARD#: 116896

Respondent.

This 24<sup>th</sup> day of April, 2019

Issued and entered

**NOTICE OF INTENT TO REVOKE  
INVESTMENT ADVISER REGISTRATION  
AND ORDER OF SUMMARY SUSPENSION**

**I. RELEVANT FACTS AND APPLICABLE LAW.**

Relevant information and statutory provisions, under the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq* (the "Securities Act"):

1. The Cadez Group, LTD, d/b/a Advanced Financial Planning, Inc. (CRD/IARD# 116896, "Respondent") is a Michigan corporation which is registered as an investment adviser pursuant to the Securities Act. Respondent is owned and operated by Daniel Cadez, Jr., (CRD#3001507, "Cadez"), who is registered as an investment adviser representative of Respondent.
2. The Corporations, Securities & Commercial Licensing Bureau ("the Bureau") within the State of Michigan Department of Licensing and Regulatory Affairs notified Respondent and Cadez in or around October of 2018 that Bureau staff was beginning an examination of Respondent's books and records pursuant to MCL 451.2411(4).
3. The onsite portion of the examination began on or around December 11, 2018. Thereafter, on January 23, 2019, Bureau staff submitted a written request for further information from Respondent and Cadez. Respondent and Cadez failed to respond to the request, and to follow-up requests on or around February 21, 2019; March 7, 2019; and March 15, 2019.
4. Bureau staff requested production of documents for inspection in connection with the examination through numerous methods of communication, including in person, through multiple email requests and reminders, and through U.S. Mail.

5. Respondent and Cadez have failed to provide the records necessary for Bureau staff to complete its examination of Respondent, thereby impeding an examination being conducted pursuant to MCL 451.2411(4).
6. The Director of the Bureau ("Administrator") has reviewed materials regarding Respondent's actions to impede the Bureau's lawful examination under the Securities Act. The Administrator has determined that it is authorized, appropriate, and in the public interest to revoke Respondent's investment adviser registration and to suspend its registration pending the outcome of revocation proceedings.
7. Section 412(2) of the Securities Act, MCL 451.2412(2), states in relevant part:

If the administrator finds that the order is in the public interest and subsection (4) authorizes the action, an order under this act may revoke, suspend, condition, or limit the registration of a registrant and if the registrant is a broker-dealer or investment adviser, of a partner, officer, director, or a person having a similar status or performing similar functions, or a person directly or indirectly in control of the broker-dealer or investment adviser...

8. Section 412(4) of the Securities Act, MCL 451.2412(4) states in relevant part:

(4) A person may be disciplined under subsections (1) to (3) if any of the following apply to the person:

\*\*\*

(h) The person refuses to allow or otherwise impedes the administrator from conducting an audit or inspection under section 411(4) or refuses access to a registrant's office to conduct an audit or inspection under section 411(4)...

9. Section 412(6) of the Securities Act, MCL 451.2412(6), states:

(6) The administrator may suspend or deny an application summarily, restrict, condition, limit, or suspend a registration, or censure, bar, or impose a civil fine on a registrant pending final determination of an administrative proceeding. On the issuance of the order, the administrator shall promptly notify each person subject to the order that the order has been issued, the reasons for the action, and that, within 15 days after the receipt of a request in a record from the person, the matter will be scheduled for a hearing. If a hearing is not requested by a person subject to the order or is not ordered by the administrator within 30 days after the date of service of the order, the order is final. If a hearing is requested or ordered, the administrator, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend the order until final determination.

10. Section 412(7) of the Securities Act, MCL 451.2412(7), states:

(7) Except under subsection (6), an order shall not be issued under this section unless all of the following have occurred:

- (a) Appropriate notice has been given to the applicant or registrant.
- (b) Opportunity for hearing has been given to the applicant or registrant.
- (c) Findings of fact and conclusions of law have been made on the record pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

11. The Administrator may revoke Respondent's investment adviser registration pursuant to section 412(2) of the Securities Act, MCL 451.2412(2), because it is in the public interest, and because:

- A. Respondent has impeded the Bureau's examination under MCL 451.2411(4), giving the Administrator cause to issue an order under sections 412(2) and 412(4)(h) of the Securities Act, MCL 451.2412(2) and MCL 451.2412(4)(h).

12. The Administrator may summarily suspend Respondent's investment adviser registration pursuant to section 412(6) of the Securities Act, MCL 451.2412(6), pending the outcome of the administrative proceedings initiated by this Notice.

## **II. ORDER.**

The Administrator finds that this ORDER is authorized, appropriate, and in the public interest based on the above-cited facts and law.

IT IS ORDERED as follows:

1. The Administrator intends TO REVOKE THE INVESTMENT ADVISER REGISTRATION OF THE CADEZ GROUP, INC., D/B/A ADVANCED FINANCIAL PLANNING, INC. under section 412(2) of the Securities Act, MCL 451.2412(2), because it has impeded the inspection of its records of pursuant to section 411(4) of the Securities Act, MCL 451.2411(4), which supports the revocation of its investment adviser registration under the above-cited provisions of the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101 *et seq.*

2. Respondent's investment adviser registration is SUMMARILY SUSPENDED pending the outcome of revocation proceedings instituted by this NOTICE in accordance with section 412(6) of the Securities Act, MCL 451.2412(6).

3. In accordance with sections 412(2) and 412(7) of the Securities Act, MCL 451.2412(2) and MCL 451.2412(7): This is NOTICE that the Administrator intends to revoke Respondent's investment adviser registration, and that Respondent has thirty (30) days after the date that this

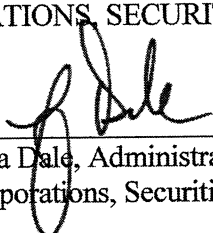


Order is served on Respondent to respond in writing to the enclosed Notice of Opportunity to Show Compliance. If the Administrator timely receives a written request, depending upon the election, the Administrator shall either promptly schedule a compliance conference, or schedule a hearing within fifteen (15) days after receipt of the written request. If you fail to respond to this Notice and Order within the time frame specified, the Administrator shall schedule a hearing. If a hearing is requested or ordered, the Administrator, after notice of and an opportunity for hearing to Respondent, may modify or vacate this Order or extend the Order until final determination.

**If Respondent requests a hearing, the request must be in writing and filed with the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau, Regulatory Compliance Division, P.O. Box 30018, Lansing, MI 48909.**

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

By:

  
\_\_\_\_\_  
Julia Dale, Administrator and Director  
Corporations, Securities & Commercial Licensing Bureau

4/24/19  
Date

# **EXHIBIT 2**

**STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**

In the matter of:

Agency No. 339869

DANIEL CADEZ, JR.  
CRD# 3001507

Respondent.

This 31<sup>st</sup> day of July, 2019

NOTICE AND ORDER TO CEASE AND DESIST

Julia Dale, the Director ("Administrator") of the Corporations, Securities & Commercial Licensing Bureau ("the Bureau"), pursuant to her statutory authority and responsibility to administer and enforce the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq* ("Securities Act"), hereby orders Daniel Cadez, Jr. ("Respondent") to cease and desist from unlawfully taking custody of client funds or securities, and from making untrue statements of material facts in connection with the offer or sale of securities, contrary to the Securities Act. Respondent is notified of the opportunity to request a hearing in this matter.

**I. BACKGROUND**

**A. The Respondent**

1. Daniel Cadez, Jr. (CRD#3001507) ("Respondent") is registered as an investment adviser representative through The Cadez Group, LTD, d/b/a Advanced Financial Planning, Inc., (CRD/IARD#116896) ("TCG"), a Michigan-registered investment adviser firm. Respondent and TCG have been summarily suspended since on or around April 24, 2019. (Exhibits 1 and 2 – NOIs to Revoke and Orders of Summary Suspension).

**B. Findings of Fact**

1. The Bureau initiated an examination of Respondent's investment adviser firm, TCG, in or around December of 2018. Respondent and TCG failed to cooperate

with the examination, resulting in the issuance of a Notice of Intent to Revoke and an Order of Summary Suspension against the registrations of both Respondent as an investment adviser representative and TCG as an investment adviser. These orders were issued on or around April 24, 2019. (Exhibits 1 and 2).

2. Thereafter, Respondent began cooperating with the examination and provided documents relevant to his and TCG's custody of client funds or securities, including private placement memorandums related to pooled investment vehicles over which Respondent maintained control, and certain audited financial statements with respect to those pooled investment vehicles.
3. Respondent organized and operated a "Mini Master-Feeder" structure private fund called Pishon, Ltd. with TCG as the fund's investment manager. Pishon, Ltd. invested all or substantially all of its assets into Pishon Partners, LP, a Delaware limited partnership whose general partner was Gaugamela Capital Management, LLC, an affiliate of TCG. All of these entities were controlled by Respondent. The limited partners of Pishon Partners, LP were passive investors who relied on Respondent's efforts to generate returns on their investments. Some investors were also investment advisory clients of TCG.
4. The private fund structure described in paragraph I.B.3 gave Respondent and TCG custody of TCG client assets under the Administrator's Transition Order 6, Order No. 2011-009-M ("Transition Order 6"), as "custody" is defined by SEC Rule 206(4)-2, 17 CFR 275.206(4)-2 ("the SEC Custody Rule").<sup>1</sup>
5. The SEC Custody Rule and Transition Order 6 generally prohibit custody of client funds or securities by investment advisers and their supervised persons unless the investment adviser undertakes specific safeguards depending on the variety of custody. Custody as a result of a private fund relationship as described in paragraph I.B.3 is permitted if the private fund at least annually distributes to its limited partners audited financial statements within 120 days of the end of its fiscal year which were audited by an independent certified public accountant overseen by the Public Company Accounting Oversight Board, and upon liquidation, it distributes audited financial statements to all of its limited partners.

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<sup>1</sup> The custody provisions of Transition Order 6 were rescinded by Administrative Order 2019-1 on July 3, 2019. Rule 451.4.13 imposes the same requirements upon investment advisers in Michigan for conduct occurring on and after July 3, 2019 as Transition Order 6 did from its issuance in 2011 to its rescission in 2019. Transition Order 6 was in place for the bulk of the conduct described in this Notice and Order to Cease and Desist and is therefore primarily referred to in this memorandum. To the extent Respondent's conduct occurred under Rule 451.4.13, the applicability of 17 CFR 275.206(4)-2 remains the same, as do the legal analysis and conclusions.

6. Respondent complied with the safeguards described in paragraph I.B.5 for the years 2012, 2013, and 2014 by obtaining and distributing audited financial statements to limited partners of Pishon Partners, LP. Respondent has failed to provide evidence that he, TCG, or Pishon Partners, LP complied with Transition Order 6 or the SEC Custody Rule for the years 2015, 2016, 2017, 2018, or 2019.
7. The Confidential Private Offering Memorandum for Pishon Partners, LP, at page 59, stated:

The General Partner, in its sole discretion, may select the auditor which will complete the year-end audit for the Partnership. The Partnership's books of account shall be audited as of the close of each fiscal year by [CPA Firm], or any other independent accounting firm designated by the General Partner. Within 120 days after the end of each fiscal year, or as soon thereafter as is reasonably practicable, annual reports containing audited financial statements will be sent to all Limited Partners. [*Emphasis added.*] (Exhibit 3 – Excerpt of Pishon Partners, LP PPM).

8. Respondent and the various entities he controlled within the private fund structure failed to obtain and distribute audited financial statements to limited partners of Pishon Partners, LP for the years 2015, 2016, 2017, 2018, or to date in 2019. A reasonable investor might consider it important to his or her investment decision to know that the limited partnership in which he or she invests will not provide audited financial statements on an annual basis notwithstanding representations in the limited partnership's private offering memorandum that such information will be provided.

## **II. RELEVANT STATUTORY PROVISIONS**

1. Section 411(6) of the Securities Act, MCL 451.2411(6), states:

(6) Subject to section 15(h) of the securities exchange act of 1934, 15 USC 78o, or section 222 of the investment advisers act of 1940, 15 USC 80b-18a, an agent shall not have custody of funds or securities of a customer except under the supervision of a broker-dealer and an investment adviser representative shall not have custody of funds or securities of a client except under the supervision of an investment adviser or federal covered investment adviser. A rule or order under this act may prohibit, limit, or impose conditions on the custody of funds or securities of a customer by a broker-dealer and on the custody of securities or funds of a client by an investment adviser.

2. Order No. 2011-009-M, Transition Order 6, states in part:

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7. An investment adviser is permitted to take and maintain custody of client funds and securities as long as the investment adviser meets the requirements of at least one of paragraphs (a), (b), or (c) below:

(a) The investment adviser (i) satisfies the requirements of Rule 206(4)-2 promulgated under the Advisers Act, 17 CFR 275.206(4)-2, such that the custody of client funds by the investment adviser would not be deemed a fraudulent, deceptive or manipulative act, practice or course of business under such rule if it were applicable to the investment adviser, or (ii) would otherwise not be precluded from taking and maintaining customer funds under federal law or regulations then in effect and applicable to federal covered investment advisers, if they were applied to the investment adviser; or

(b) The investment adviser provides advisory funds exclusively to “private funds,” as defined in section 402(a) of the Dodd-Frank Act, provided that the requirements of subparagraphs (i) and (ii) below are satisfied:

(i) The equity holders of such private fund are comprised exclusively of persons who are:

(A) “Qualified clients” as defined in Rule 205-3(d)(1) promulgated under the Advisers Act, 17 CFR 257.205-3(d)(1)<sup>2</sup>; or

(B) “Accredited investors” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended; and

(ii) Custody of the funds or securities is maintained pursuant to the terms of one or more written agreements, which may include a limited partnership agreement, a limited liability company agreement or other similar organizational or operating agreements, between such adviser and its private fund clients; or

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<sup>2</sup> The erroneous citation appears in the original text of Transition Order 6 and should read “17 CFR 275.205-3(d)(1).”

(c) the investment adviser is otherwise permitted by rule or order of the Administrator to take and maintain custody of client funds or securities and complies with such rule or order....

3. Section 501(b) of the Securities Act, MCL 451.2501(b), states:

It is unlawful for a person, in connection with the offer, sale, or purchase of a security or the organization or operation of a Michigan investment market under article 4A, to directly or indirectly do any of the following:...

(b) Make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading...

4. Section 503(1) of the Securities Act, MCL 451.2503(1), states:

In a civil action or administrative proceeding under this act, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the exemption, exception, preemption, or exclusion.

### **III. CONCLUSIONS OF LAW**

1. Respondent Daniel Cadez, Jr. has custody of client funds or securities through his control of Pishon Partners, LP and its affiliated entities and has not obtained annual audits for the years 2015, 2016, 2017, 2018, or to date in 2019 as required by 17 CFR 275.206(4)-2, contrary to Order No. 2011-009-M, the Sixth Transition Order Administering the Michigan Uniform Securities Act (2002), 2008 PA 551 ("Transition Order 6"), Rule 451.4.13, and MCL 451.2411(6).
2. Respondent Daniel Cadez, Jr., through the private placement memorandum he distributed to investors on behalf of Pishon Partners, LP, represented that investors would receive annual audited financial statements from the limited partnership; this representation was untrue, as no audited financial statements were prepared and distributed for the years 2015, 2016, 2017, 2018, or to date in 2019. The statement regarding provision of annual audited financial statements was in connection with the offer or sale of a security, material, and untrue, contrary to section 501(b) of the Securities Act, MCL 451.2501(b).

#### IV. ORDER

IT IS THEREFORE ORDERED, pursuant to section 604 of the Securities Act, MCL 451.2604, that:

- A. Respondent shall immediately CEASE AND DESIST from unlawfully taking custody of client funds, and from making untrue statements of material facts in connection with the offer or sale of securities, contrary to the Securities Act.
- B. Pursuant to section 604(2) of the Securities Act, this Notice and Order to Cease and Desist is IMMEDIATELY EFFECTIVE.
- C. In her Final Order, the Administrator, under section 604(4) of the Securities Act, MCL 451.2604(4), intends to impose a civil fine of \$20,000.00 against Respondent.
- D. Pursuant to section 508 of the Securities Act, MCL 451.2508, a person that willfully violates the Securities Act, or an order issued under the Securities Act, is guilty of a felony punishable by imprisonment for not more than 10 years or a fine of not more than \$500,000.00 for each violation, or both. An individual convicted of violating a rule or order under this act may be fined, but shall not be imprisoned, if the individual did not have knowledge of the rule or order.

#### V. NOTICE OF OPPORTUNITY FOR HEARING

Section 604 of the Securities Act, MCL 451.2604, provides that Respondent has 30 days beginning with the first day after the date of service of this Notice and Order to Cease and Desist to submit a written request to the Administrator asking that this matter be scheduled for a hearing. If the Administrator receives a written request in a timely manner, the Administrator shall schedule a hearing within 15 days after receipt of the request. The written request for a hearing must be addressed to:

Corporations, Securities & Commercial Licensing Bureau  
Regulatory Compliance Division  
P.O. Box 30018  
Lansing, MI 48909

#### VI. ORDER FINAL ABSENT HEARING REQUEST

- A. Under section 604 of the Securities Act, MCL 451.2604, the Respondent's failure to submit a written request for a hearing to the Administrator within 30 days after the service date of this **NOTICE AND ORDER TO CEASE AND DESIST** shall result in this order becoming a **FINAL ORDER** by operation of law. The **FINAL**

Notice & Order to Cease & Desist  
Daniel Cadez, Jr. (CN 339869)  
CRD# 3001507



**ORDER** includes the imposition of the fines cited described in section IV.C., and the fine amounts set forth below will become due and payable to the Administrator within sixty (60) days after the date this order becomes final:

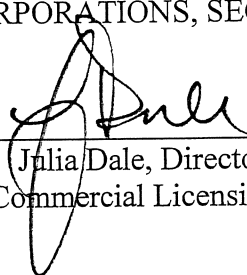
\$20,000.00 – Daniel Cadez, Jr., under section 604 of the Securities Act, MCL 451.2604.

- B. CIVIL FINE payments should be payable to the STATE OF MICHIGAN and contain identifying information (e.g., names and complaint numbers) and mailed to the following address:

Corporations, Securities & Commercial Licensing Bureau  
Final Order Monitoring  
P.O. Box 30018  
Lansing, MI 48909

- C. Failure to comply with the terms of this Order within the time frames specified may result in additional administrative penalties, including the summary suspension or continued suspension of all registrations held by Respondent under the Securities Act, the denial of any registration renewal, and/or the denial of any future applications for registration, until full compliance is made. Respondent may voluntarily surrender or withdraw a registration under the Securities Act; however, the surrender or withdrawal will not negate the summary suspension or continued suspension of the relevant registrations or any additional administrative proceedings if a violation of this Order or the Securities Act occurred.
- D. Failure to pay the civil fines within six (6) months after this Order becomes final may result in the referral of the civil fines to the Michigan Department of Treasury for collection action against Respondents.

CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

  
By: Julia Dale, Director, Corporations, Securities  
& Commercial Licensing Bureau

7/31/19  
Date



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

ORLENE HAWKS  
DIRECTOR

**RESPONDENT'S NOTICE OF OPPORTUNITY TO SHOW COMPLIANCE  
OR REQUEST A FORMAL HEARING DATE**

Dated: August 1, 2019

THE CADEZ GROUP, LTD.  
CRD# 116896

Agency No. 338687

Respondent.

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You have been served with a Notice of Intent to Revoke Investment Adviser Registration ("Order"), alleging that you violated the Michigan Uniform Securities Act (Act), 2008 PA 551, MCL 451.2101 *et seq.* The procedures in this matter shall be governed by the Act, procedural rules promulgated under the predecessor Uniform Securities Act, 1964 PA 265, MCL 451.501 *et seq.*, 1983 AACRS, R 451.2101 through 451.3503, the Michigan Administrative Procedures Act, 1969 PA 306, MCL 24.201 *et seq.* and any other applicable laws.

Should you admit to the alleged violations, or are found responsible for violations after an administrative hearing, you are subject to penalties provided for in the Act. The Order and associated disciplinary records are subject to disclosure and publication to the public in accord with Section 11 of the Michigan Freedom of Information Act, 1976 PA 442, MCL 15.241. Publication may include posting of the disciplinary record on the Department's website or in other reporting formats.

Pursuant to Section 92(1) of the Administrative Procedures Act, MCL 24.292(1), and the administrative rules promulgated under the predecessor Uniform Securities Act, 1964 PA 265, 1983 AACRS, R. 451.2401 through 451.2408, you may choose one of the following opportunities regarding this Order:

- (a) Meet with the Department to negotiate a resolution of the matter on **September 3, 2019 at 2:00pm. Please notify this office within 15 days if you choose this option.** If you select this option, the Compliance Conference will take place at **2501 Woodlake Circle, Okemos, Michigan 48864** on the first floor. Please check in with the front desk of the Corporations, Securities & Commercial Licensing Bureau.
- (b) Submit a written showing of compliance by **September 3, 2019.**
- (c) Request a contested case hearing within thirty (30) calendar days of the mailing date of this Order and Notice.

LARA is an equal opportunity employer/program.  
Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU  
P.O. BOX 30018 • LANSING, MICHIGAN 48909  
[www.michigan.gov/lara](http://www.michigan.gov/lara)

If you choose option (a), plan on attending the compliance conference, as scheduled, unless an earlier date is agreed upon by you and the Administrator. Upon written request, the Administrator may extend the time in which you may show compliance to avoid undue hardships. A showing of compliance may be made in writing or by a personal appearance at the scheduled meeting. You have the right, at your own expense, to have an attorney represent you in this conference and/or in preparing a written response. The primary purpose of the conference is to afford you with an opportunity to discuss the Order in an attempt to resolve the matter. Any statements made, either in the written response or at the meeting, may be used as evidence against you at any later proceedings.

If a resolution short of the complete withdrawal of the Order is reached at the conference, a Stipulation or Consent Order may be prepared for your signature. The signed Stipulation or Consent Order will be submitted to the Administrator for acceptance or rejection. You will be notified as to whether the Administrator accepts or rejects the proposed resolution. If a resolution is not reached at the conference, the matter will proceed to a contested case hearing.

If you choose option (c), or you fail to respond to the Order within the time frame specified, the matter will be scheduled for a contested case hearing before an administrative law judge. You have the right, at your own expense, to have an attorney represent you at the hearing. Following the hearing, the administrative law judge will issue a Proposal for Decision. The Proposal for Decision will be forwarded to the Administrator for his review and the issuance of a Final Order in this matter.

***Please do not telephone our office to discuss the specifics of the Order. We cannot provide you with legal advice. You may contact (517) 241-9590 with procedural questions about the Order.***

For your convenience, enclosed is a Compliance Conference Election Form to be completed and returned to this office indicating your selection. All correspondence should be addressed to Corporations, Securities & Commercial Licensing Bureau, Regulatory Compliance Division – Attn: Support & Scheduling Unit, P.O. Box 30018, Lansing, Michigan 48909. **If you fail to respond to this Notice and Order, a contested case hearing will be requested and scheduled.**

**COMPLIANCE CONFERENCE ELECTION FORM**  
**Agency No. 338687**

I wish to:

\_\_\_\_\_ Meet with the Department to negotiate a resolution of the matter on  
**September 3, 2019 at 2:00pm** at 2501 Woodlake Circle, Okemos,  
Michigan 48864.

\_\_\_\_\_ Submit a written showing of compliance by **September 3, 2019.**

\_\_\_\_\_ Proceed directly to a contested case hearing.

Dates **unavailable** to attend conference/hearing: \_\_\_\_\_

**If you fail to respond, attend the scheduled compliance conference or to request a contested case hearing within 30 calendar days, a contested case hearing will be requested and scheduled.**

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Phone No.

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

This form must be signed by the respondent or his/her attorney if an individual or sole proprietorship, or by an individual legally authorized to do so on behalf of the respondent if the respondent is a partnership, limited liability company (L.L.C.), or corporation.

***Please do not telephone our office to discuss the specifics of the Order. We cannot provide you with legal advice. You may contact (517) 241-9590 with procedural questions about the Order.***

Return this form and/or any written response to:

Corporations, Securities & Commercial Licensing Bureau  
Regulatory Compliance Division  
P.O. Box 30018  
Lansing, Michigan 48909  
Fax: (517) 241-0290

**STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**

In the matter of:

Agency No. 338687

THE CADEZ GROUP, LTD  
D/B/A ADVANCED FINANCIAL PLANNING, INC.  
CRD/IARD#: 116896

Respondent.

\_\_\_\_\_  
This 24<sup>th</sup> day of April, 2019

Issued and entered

**NOTICE OF INTENT TO REVOKE  
INVESTMENT ADVISER REGISTRATION  
AND ORDER OF SUMMARY SUSPENSION**

**I. RELEVANT FACTS AND APPLICABLE LAW.**

Relevant information and statutory provisions, under the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq* (the "Securities Act"):

1. The Cadez Group, LTD, d/b/a Advanced Financial Planning, Inc. (CRD/IARD# 116896, "Respondent") is a Michigan corporation which is registered as an investment adviser pursuant to the Securities Act. Respondent is owned and operated by Daniel Cadez, Jr., (CRD#3001507, "Cadez"), who is registered as an investment adviser representative of Respondent.
2. The Corporations, Securities & Commercial Licensing Bureau ("the Bureau") within the State of Michigan Department of Licensing and Regulatory Affairs notified Respondent and Cadez in or around October of 2018 that Bureau staff was beginning an examination of Respondent's books and records pursuant to MCL 451.2411(4).
3. The onsite portion of the examination began on or around December 11, 2018. Thereafter, on January 23, 2019, Bureau staff submitted a written request for further information from Respondent and Cadez. Respondent and Cadez failed to respond to the request, and to follow-up requests on or around February 21, 2019; March 7, 2019; and March 15, 2019.
4. Bureau staff requested production of documents for inspection in connection with the examination through numerous methods of communication, including in person, through multiple email requests and reminders, and through U.S. Mail.

5. Respondent and Cadez have failed to provide the records necessary for Bureau staff to complete its examination of Respondent, thereby impeding an examination being conducted pursuant to MCL 451.2411(4).
6. The Director of the Bureau ("Administrator") has reviewed materials regarding Respondent's actions to impede the Bureau's lawful examination under the Securities Act. The Administrator has determined that it is authorized, appropriate, and in the public interest to revoke Respondent's investment adviser registration and to suspend its registration pending the outcome of revocation proceedings.
7. Section 412(2) of the Securities Act, MCL 451.2412(2), states in relevant part:

If the administrator finds that the order is in the public interest and subsection (4) authorizes the action, an order under this act may revoke, suspend, condition, or limit the registration of a registrant and if the registrant is a broker-dealer or investment adviser, of a partner, officer, director, or a person having a similar status or performing similar functions, or a person directly or indirectly in control of the broker-dealer or investment adviser...

8. Section 412(4) of the Securities Act, MCL 451.2412(4) states in relevant part:

(4) A person may be disciplined under subsections (1) to (3) if any of the following apply to the person:

\*\*\*

(h) The person refuses to allow or otherwise impedes the administrator from conducting an audit or inspection under section 411(4) or refuses access to a registrant's office to conduct an audit or inspection under section 411(4)...

9. Section 412(6) of the Securities Act, MCL 451.2412(6), states:

(6) The administrator may suspend or deny an application summarily, restrict, condition, limit, or suspend a registration, or censure, bar, or impose a civil fine on a registrant pending final determination of an administrative proceeding. On the issuance of the order, the administrator shall promptly notify each person subject to the order that the order has been issued, the reasons for the action, and that, within 15 days after the receipt of a request in a record from the person, the matter will be scheduled for a hearing. If a hearing is not requested by a person subject to the order or is not ordered by the administrator within 30 days after the date of service of the order, the order is final. If a hearing is requested or ordered, the administrator, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend the order until final determination.

10. Section 412(7) of the Securities Act, MCL 451.2412(7), states:

(7) Except under subsection (6), an order shall not be issued under this section unless all of the following have occurred:

- (a) Appropriate notice has been given to the applicant or registrant.
- (b) Opportunity for hearing has been given to the applicant or registrant.
- (c) Findings of fact and conclusions of law have been made on the record pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

11. The Administrator may revoke Respondent's investment adviser registration pursuant to section 412(2) of the Securities Act, MCL 451.2412(2), because it is in the public interest, and because:

- A. Respondent has impeded the Bureau's examination under MCL 451.2411(4), giving the Administrator cause to issue an order under sections 412(2) and 412(4)(h) of the Securities Act, MCL 451.2412(2) and MCL 451.2412(4)(h).

12. The Administrator may summarily suspend Respondent's investment adviser registration pursuant to section 412(6) of the Securities Act, MCL 451.2412(6), pending the outcome of the administrative proceedings initiated by this Notice.

## **II. ORDER.**

The Administrator finds that this ORDER is authorized, appropriate, and in the public interest based on the above-cited facts and law.

IT IS ORDERED as follows:

1. The Administrator intends TO REVOKE THE INVESTMENT ADVISER REGISTRATION OF THE CADEZ GROUP, INC., D/B/A ADVANCED FINANCIAL PLANNING, INC. under section 412(2) of the Securities Act, MCL 451.2412(2), because it has impeded the inspection of its records of pursuant to section 411(4) of the Securities Act, MCL 451.2411(4), which supports the revocation of its investment adviser registration under the above-cited provisions of the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101 *et seq.*

2. Respondent's investment adviser registration is SUMMARILY SUSPENDED pending the outcome of revocation proceedings instituted by this NOTICE in accordance with section 412(6) of the Securities Act, MCL 451.2412(6).

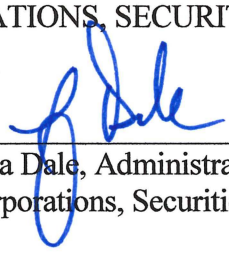
3. In accordance with sections 412(2) and 412(7) of the Securities Act, MCL 451.2412(2) and MCL 451.2412(7): This is NOTICE that the Administrator intends to revoke Respondent's investment adviser registration, and that Respondent has thirty (30) days after the date that this

Order is served on Respondent to respond in writing to the enclosed Notice of Opportunity to Show Compliance. If the Administrator timely receives a written request, depending upon the election, the Administrator shall either promptly schedule a compliance conference, or schedule a hearing within fifteen (15) days after receipt of the written request. If you fail to respond to this Notice and Order within the time frame specified, the Administrator shall schedule a hearing. If a hearing is requested or ordered, the Administrator, after notice of and an opportunity for hearing to Respondent, may modify or vacate this Order or extend the Order until final determination.

**If Respondent requests a hearing, the request must be in writing and filed with the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau, Regulatory Compliance Division, P.O. Box 30018, Lansing, MI 48909.**

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

By:

  
\_\_\_\_\_  
Julia Dale, Administrator and Director  
Corporations, Securities & Commercial Licensing Bureau

  
\_\_\_\_\_  
Date